



Local Agency Formation Commission of Napa County
Subdivision of the State of California

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We Manage Local Government Boundaries, Evaluate Municipal Services, and Protect Agriculture

Agenda Item 6f (Consent/Action)

TO: Local Agency Formation Commission
PREPARED BY: Brendon Freeman, Executive Officer
MEETING DATE: August 6, 2018
SUBJECT: Amendment No. 10 to LAFCO Agreement No. 03-02

RECOMMENDATION

It is recommended the Commission adopt the draft resolution approving Amendment No. 10 to LAFCO Agreement No. 03-02 (Attachment One).

BACKGROUND

On July 1, 2003, the Commission entered into LAFCO Agreement No. 03-02, which is a support services agreement (SSA) with the County of Napa. The SSA establishes terms and conditions for the County to provide a range of personnel and related services necessary for the Commission to fulfill its responsibilities as an independent government agency. Specifically, the SSA state the County shall provide for a LAFCO Executive Officer and support staff as well as several services as specified in the SSA.

The SSA was first amended in September 2007 to incorporate a new billing calculation involving the provision of information technology services (ITS), which is applied to all County departments and contracted agencies to proportionally recover operating costs. The ITS billing calculation is informed by the number of personnel and network computers assigned in each department or contracting agency. The County and the Commission have used this calculation to formally amend the SSA a total of nine times. The most recent amendment is included as Attachment Two.

SUMMARY

The Commission will consider adopting a resolution approving Amendment No. 10 to the SSA, which would allow the County and the Commission to modify the annual ITS billing amount by way of written notification and/or consultation without requiring formal approval from the County Board of Supervisors and the Commission. The proposed amendment is attached to the draft resolution included as Attachment One. Staff believes the proposed amendment is reasonable and will lead to greater efficiencies, and therefore approval is recommended.

ATTACHMENTS

- 1) Draft Resolution Approving Amendment No. 10 to LAFCO Agreement No. 03-02
- 2) LAFCO Agreement No. 03-02 Amendment No. 9

Margie Mohler, Chair
Councilmember, Town of Yountville

Scott Sedgley, Commissioner
Councilmember, City of Napa

Kenneth Leary, Alternate Commissioner
Councilmember, City of American Canyon

Brad Wagenknecht, Vice Chair
County of Napa Supervisor, 1st District

Diane Dillon, Commissioner
County of Napa Supervisor, 3rd District

Ryan Gregory, Alternate Commissioner
County of Napa Supervisor, 2nd District

Gregory Rodeno, Commissioner
Representative of the General Public

Erik Lawrence, Alternate Commissioner
Representative of the General Public

Brendon Freeman
Executive Officer

RESOLUTION NO. _____

**RESOLUTION OF
THE LOCAL AGENCY FORMATION COMMISSION OF NAPA COUNTY
APPROVING AMENDMENT NO. 10 TO LAFCO AGREEMENT NO. 03-02**

WHEREAS, the Local Agency Formation Commission of Napa County (hereinafter referred to as “the Commission”) on July 1, 2003, entered into a support services agreement with the County of Napa (“Agreement”) to provide a range of personnel and related services necessary for the Commission to fulfill its responsibilities;

WHEREAS, the Commission has approved a total of nine amendments to the Agreement;

WHEREAS, the Commission considered a proposed Amendment No. 10 to the Agreement at its regular meeting on August 6, 2018;

NOW, THEREFORE, BE IT RESOLVED that the Local Agency Formation Commission of Napa County hereby approves Amendment No. 10 to the Agreement attached hereto.

This Resolution shall take effect from and after the date of its passage and adoption.

The foregoing resolution was duly and regularly adopted by the Commission at a regular meeting held on August 6, 2018, after a motion by Commissioner _____, seconded by Commissioner _____, by the following vote:

AYES:	Commissioners	_____
NOES:	Commissioners	_____
ABSENT:	Commissioners	_____
ABSTAIN:	Commissioners	_____

Margie Mohler
Commission Chair

ATTEST: _____
Brendon Freeman
Executive Officer

Recorded by: Kathy Mabry
Commission Secretary

**AMENDMENT NO. 10
NAPA COUNTY AGREEMENT NO. 4433
LOCAL AGENCY FORMATION COMMISSION OF
NAPA COUNTY AGREEMENT NO. 03-02**

**SUPPORT SERVICES BY NAPA COUNTY TO THE LOCAL AGENCY FORMATION
COMMISSION OF NAPA COUNTY**

THIS AMENDMENT NO. 10 OF NAPA COUNTY AGREEMENT NO. 4433 is made and entered into as of this 1st day of July, 2018, by and between NAPA COUNTY, a political subdivision of the State of California (hereinafter referred to as “COUNTY”), and the LOCAL AGENCY FORMATION COMMISSION OF NAPA COUNTY (hereinafter referred to as “LAFCO”), a local public agency formed pursuant to the Cortese-Knox-Hertzberg Local Government Reorganization Act (Government Code Section 56000, *et seq.*).

RECITALS

WHEREAS, COUNTY and LAFCO entered in an agreement on or about July 1, 2003 – Napa County Agreement No. 4433 (hereinafter referred to as “MA”) which has subsequently been amended on nine occasions – for COUNTY to provide support services needed for LAFCO’s performance of its functions and responsibilities, including information technology services; and

WHEREAS, the parties now desire to amend the MA to modify the annual rate of compensation to COUNTY for services provided by its Information Technology Services Division (“ITS”) to reflect changes in the costs to COUNTY to provide such services.

TERMS

NOW, THEREFORE, COUNTY and LAFCO hereby amend the MA as follows:

1. Section 4 of the MA is hereby amended to read in full as follows:

4. REIMBURSEMENT

(a) **Rates**. In consideration of County’s fulfillment of the promised services and personnel, LAFCO shall reimburse County for the actual costs (including the costs of labor, equipment, supplies, materials, and incidental travel/transportation) incurred by County and its departments and divisions in providing these services. The rates shall be determined and mutually agreed to by the parties in accordance with Attachment “AA” of the Agreement, including any and all amendments.

(b) **LAFCO Staffing Reimbursement**. LAFCO shall reimburse County for the salary and benefits of County staff primarily assigned to serve LAFCO, including any

increases in salary and benefits that County provides such staff during the term of this Agreement.

(c) **LAFCO-Requested Travel Expense Reimbursement.** LAFCO shall reimburse County for expenses incurred by County departments and divisions for travel by their assigned personnel when such travel has been requested by LAFCO in writing. Such reimbursement shall be in accordance with the travel expense policy approved by County's Board of Supervisors in effect on the date of the travel. Notwithstanding the foregoing, travel costs incurred through use of a County vehicle shall be reimbursed in accordance with the County Equipment Pool rates in effect at the time of the travel.

(d) **Bank Analysis Pass-through Charge.** LAFCO shall reimburse County on a pass-through basis for the costs incurred by County for bank charges relating to LAFCO activities.

(e) **General Liability Coverage/Workers' Compensation Coverage.** LAFCO shall reimburse County for general liability coverage and workers' compensation coverage at the rates established by County each fiscal year.

(f) **Adjustment for Additional LAFCO-Requested Services.** LAFCO shall reimburse County for the actual costs (including the costs of labor, equipment, supplies, materials, and incidental travel/transportation) incurred by County in providing any new or increased services requested by LAFCO. Such additions or increases in services shall be permitted only if approved in writing by the County Executive Officer and LAFCO Executive Officer, including approval of the applicable reimbursement rates.

2. The portion entitled "Services of Information Technology (annual rate)" of Attachment "AA" of the MA is hereby amended to read in full as follows:

1. Services of Information Technology (annual rate):

- a. **Annual Fee.** The Parties acknowledge that compensation of COUNTY under this Agreement is calculated utilizing the ITS Cost Allocation Method for COUNTY's own departments and agencies. On or before April 1 of each year during which the MA is in effect, COUNTY shall provide to LAFCO an invoice setting forth the Annual Fee for the following fiscal year. COUNTY allocates Internet Technology Service ("ITS") costs to all of COUNTY's internal departments each year as part of its budgeting process. COUNTY performs this task by breaking out all ITS costs – into subdivisions, which align with the major services being provided: Administration, Land Use Application, Network Operations, Development, Help Desk, Enterprise Resource Planning and Customer Management. COUNTY then allocates ITS costs throughout COUNTY's departments based on either the number of personal computers ("PCs") or full-time equivalent employees ("FTE"). It is the intent and understanding of the parties that COUNTY shall calculate LAFCO's Annual Fee by multiplying the total costs per PC or FTE COUNTY utilized for setting COUNTY's own departmental budgets by the number

of LAFCO's PCs or FTE.

b. Payment.

The Annual Fee shall be payable on or before the first of the month preceding the quarter of service, with the payable quarterly rate being 1/4 of the annual rate in effect on the first date of the quarter of service.

c. Future Modifications

(1) Procedure for Subsequent Annual Determination of Rates. During the fourth quarter of each fiscal year of this Agreement, the County Executive Officer, or designee, and the Executive Officer of LAFCO shall meet prior to adoption of the respective annual County and LAFCO budgets to determine and calculate the proposed rates for County staff and services to be furnished during the succeeding fiscal year. The rates shall be those necessary to achieve the cost reimbursement provided for in Paragraph 4(a) of the Agreement, subject to the additional factors set forth in Paragraph 4(b) through 4(f) of the Agreement. The annual adjustment of these reimbursement rates so determined shall be approved in writing by the County's Chief Information Officer and the Executive Officer of LAFCO. When so approved, these rates shall become effective for the subsequent fiscal year unless this Agreement is not renewed or otherwise terminated by the County and/or LAFCO.

(2) Modification of Annual Fee Only. The Parties agree and understand that the Annual Fee may fluctuate from fiscal year to fiscal. Based on this understanding, the Parties agree that the Annual Fee each fiscal year shall be determined by the formula specified in Paragraph (c)(1) of this Attachment. This annual fluctuation of the Annual Fee shall not alter, amend, negate, or otherwise affect any other provision or term of the MA, amendments to the MA, or any of the exhibits attached to the MA. Any amendment or alteration to any other provision or term of the MA, its amendments, and/or its exhibits must be done pursuant to Section 22 of the MA.

3. This Amendment No. 10 of the MA shall be effective as of July 1, 2018.
4. Except as set forth in (1) through (3), above, the terms and provisions of the MA shall remain in full force and effect as previously approved.

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SIGNATURE PAGE FOLLOWS

IN WITNESS WHEREOF, this Amendment No. 10 of Napa County Agreement No. 4433 was executed by the parties hereto as of the date first above written.

LOCAL AGENCY FORMATION COMMISSION OF
NAPA COUNTY

By _____
MARGIE MOHLER, Chair of LAFCO

“LAFCO”

<p>APPROVED AS TO FORM Sloan, Sakai, Yeung & Wong</p> <p>By: _____</p> <p>Date: _____</p>	<p>APPROVED BY LAFCO</p> <p>Date: _____</p> <p>_____ Commission Clerk</p>	<p>ATTEST: BRENDON FREEMAN LAFCO Executive Officer</p> <p>By: _____</p>
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NAPA COUNTY, a political subdivision of
the State of California

By _____
BRAD WAGENKNECHT, Chair
Board of Supervisors

“COUNTY”

<p>APPROVED AS TO FORM Office of County Counsel</p> <p>By: <u>John L. Myers (e-sign)</u> County Counsel</p> <p>Date: <u>7/13/18</u></p>	<p>APPROVED BY THE NAPA COUNTY BOARD OF SUPERVISORS</p> <p>Date: _____</p> <p>Processed By: _____</p> <p>_____ Deputy Clerk of the Board</p>	<p>ATTEST: JOSE LUIS VALDEZ Clerk of the Board of Supervisors</p> <p>By: _____</p>
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**AMENDMENT NO. 9
NAPA COUNTY AGREEMENT NO. 4433
LOCAL AGENCY FORMATION COMMISSION OF
NAPA COUNTY AGREEMENT NO. 03-02**

**SUPPORT SERVICES BY NAPA COUNTY TO THE LOCAL AGENCY FORMATION
COMMISSION OF NAPA COUNTY**

THIS AMENDMENT NO. 9 OF NAPA COUNTY AGREEMENT NO. 4433 is made and entered into as of this 1st day of July, 2015, by and between NAPA COUNTY, a political subdivision of the State of California, hereinafter referred to as "COUNTY,, and the LOCAL AGENCY FORMATION COMMISSION OF NAPA COUNTY (hereinafter "LAFCO"), a local public agency formed pursuant to the Cortese-Knox-Hertzberg Local Government Reorganization Act (Government Code Section 56000et.seq.).

RECITALS

WHEREAS, on or about July 1, 2003, COUNTY and LAFCO entered into Napa County Agreement No. 4433 (hereinafter referred to as "MA"), amended on or about September 1, 2007, June 17, 2008, July 1, 2009, July 1, 2010, July 1, 2011, July 1, 2012, July 1, 2013 and amended on July 1, 2014 for the provision by COUNTY of support services needed for LAFCO's performance of its functions and responsibilities, including information technology services; and

WHEREAS, the parties now desire to amend the MA to modify the annual rates of compensation to COUNTY for services provided by its Information Technology Services Department ("ITS") to reflect changes in the costs to COUNTY to provide such services;

TERMS

NOW, THEREFORE, COUNTY and LAFCO hereby amend the Agreement as follows:

1. The portion entitled "Services of Information Technology (annual rate)" of Attachment AA of the Agreement is hereby amended to read in full as follows:

1. **Services of Information Technology (annual rate):**

- a. **Background.** County allocates Internet Technology Service (ITS) costs to all of the County's internal departments each year as part of it budgeting process. The County performs this task by breaking out all ITS costs – into subdivisions, which align with the major services being provided: Administration, Land Use Application, Network Operations, Development, Help Desk, Enterprise Resource Planning and Customer Management. County then allocates ITS costs throughout the County's departments based on either the number of personal computers ("PCs") or full-time equivalent employees ("FTE"). It is the intent and understanding of the parties that County shall

calculate LAFCO's Annual Fee by multiplying the total costs per PC or FTE County utilized for setting the County's own departmental budgets by the number of LAFCO's PCs or FTE.

b. Payment.

The Annual Fee shall be payable in arrears on or before the first of the month succeeding the month of service, with the payable monthly rate being 1/12 of the annual rate in effect on the first date of the month of service.

c. Amount of Annual Fee. The Annual Fee shall be as follows:

<u>Fiscal Year</u>	<u>Annual Rate</u>
2003-2004	\$12,900.00
2004-2005	\$12,999.96
2005-2006	\$13,377.96
2006-2007	\$17,799.00
2007-2008	\$16,387.00
2008-2009	\$17,768.00
2009-2010	\$18,705.00
2010-2011	\$14,945.00
2011-2012	\$20,261.00
2012-2013	\$22,009.00
2013-2014	\$22,374.00
2014-2015	\$23,663.00
2015-2016	\$24,052.00

The Annual Fee for Fiscal Year 2016-2017 and thereafter shall remain \$24,052.00 until this Agreement is amended.

2. This Amendment No. 9 of the MA shall be effective as of July 1, 2015.
3. Except as set forth in (1) through (2), above, the terms and provisions of the MA shall remain in full force and effect as previously approved.

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IN WITNESS WHEREOF, this Amendment No. 9 of Napa County Agreement No. 4433 was executed by the parties hereto as of the date first above written.

**LOCAL AGENCY FORMATION COMMISSION OF
NAPA COUNTY**

By *Joan Bennett*
JOAN BENNETT, Chair of the Agency Board

"LAFCO"

**NAPA COUNTY, a political subdivision of
the State of California**

By *Diane Dillon*
DIANE DILLON, Chair of the Board of Supervisors

"COUNTY"

ATTEST: GLADYS I. COIL,
Clerk of the Board of Supervisors

By: *Gladys I. Coil*, Deputy

APPROVED AS TO FORM
Office of County Counsel
By: *Janice Killion (e-sign)*
Date: March 10, 2015

**APPROVED BY THE NAPA
COUNTY
BOARD OF SUPERVISORS**
Date: *6/9/15*
Processed by: *Greg Morgan*
Deputy Clerk of the Board

APPROVED AS TO FORM
Commission Counsel
By: *Silva Darbinian (e-sign)*
Date: *March 26, 2015*